



OCC ADVISORY LETTER

Comptroller of the Currency
Administrator of National Banks

Subject: Disclosures Involving Year 2000 Issues in Securities Filings with the OCC

Washington, DC 20219

TO: Chief Executive Officers of All National Banks, Department and Division Heads, and
All Examining Personnel

This advisory is to alert banks to securities disclosure obligations relating to the Year 2000. The Securities and Exchange Commission (SEC) recently issued its "Interpretation: Statement of the Commission Regarding Disclosure of Year 2000 Issues and Consequences by Public Companies, Investment Advisers, Investment Companies, and Municipal Securities Issuers" (copy attached). It provides specific guidance on federal securities law disclosure obligations associated with Year 2000 compliance. The Interpretation reminds filing companies to consider their disclosure obligations relating to anticipated costs, problems, and uncertainties associated with the measures undertaken to operate systems beyond the Year 2000. The SEC had previously offered informal advice on these disclosure issues in Staff Legal Bulletin No. 5 (attached to OCC Advisory Letter 98-2 dated February 11, 1998).

The OCC previously has advised national banks that the maintenance of safe and sound banking practices requires that banks take appropriate steps to address Year 2000 issues. *See* OCC Advisory Letters 98-8 (July 8, 1998), 98-7 (May 19, 1998), 98-6 (May 19, 1998), 98-5 (April 4, 1998), 97-10 (December 17, 1997) and 97-6 (May 16, 1997). Banks should also review, on an ongoing basis, whether they need to disclose anticipated costs, problems, uncertainties, or any other material facts associated with Year 2000 issues in the banks' securities filings under 12 CFR Part 11 (Securities Exchange Act Disclosure Rules) and Part 16 (Securities Offering Disclosure Rules). In reviewing national banks' securities filings under Parts 11 and 16, the OCC's Securities and Corporate Practices Division (SCPD) will review treatment of Year 2000 issues. In keeping with OCC policy under Parts 11 and 16, SCPD's review of these filings will be consistent with the attached SEC Interpretation.

Questions concerning this advisory should be directed to SCPD at (202) 874-5210.

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Attachment